COMMITTEE MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

TUESDAY, AUGUST 5, 2003

9:30 A.M.

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CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 12277

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

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Jose Medina

Steven R. Jones

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STAFF

Elliot Block, Staff Counsel

Bob Conheim, Staff Counsel

Linda Dickinson, Special Waste Division

Don Dier, Acting Deputy Director

Jennine Harris, Secretary of Committee

Julie Nauman, Chief Deputy Director

ALSO PRESENT

Mark Murray, Californians Against Waste

George Savage, CalRecovery, Inc.

Muluneh Sime, Nevada Auto Test Center

INDEX

PROCEEDINGS

CHAIRPERSON MEDINA: Good morning. This meeting is called to order. Today is August the 5th, 2003.

I want to wish my son, Gabriel, a happy birthday today.

COMMITTEE MEMBER JONES: Happy birthday, Gabriel.

CHAIRPERSON MEDINA: Please turn off your cell phones and pagers. If you wish to speak, there's speaker slips at the back of the room.

And at this point if we can have roll call and ex partes. Roll call, please.

SECRETARY HARRIS: Jones?

COMMITTEE MEMBER JONES: Here.

SECRETARY HARRIS: Paparian?

COMMITTEE MEMBER PAPARIAN: Here.

SECRETARY HARRIS: Medina?

CHAIRPERSON MEDINA: Here.

Members, any ex partes?

Member Jones.

COMMITTEE MEMBER JONES: No. I'm up to date.

CHAIRPERSON MEDINA: I'm up to date as well.

Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: I'm up to date.

CHAIRPERSON MEDINA: Very good. With that, I'll turn it over to our Acting Deputy Director of Special

Waste for today, Don Dier.

Good morning.

ACTING DEPUTY DIRECTOR DIER: Good morning. Thank you, Mr. Chairman.

I have to admire Mr. Lee on the timing of his fishing trips. All hell seems to break loose when he's gone.

We have four items to report on this morning. The household hazardous waste staff is currently reviewing applications submitted by local jurisdictions for competitive HHW projects. Forty-four applications were received requesting over $8 million. According to the recently-signed budget, 4.5 million is available, so only about half the projects can be funded. Staff recommendations will be presented to the Special Waste and Budget and Admin Committees in September.

Jim had promised to have a monthly update on our status with Sonoma County cleanups. As you know at the July Board meeting, the Board considered options for the remediation of the Sonoma tire piles. Staff was directed to implement Option 2, which is to issue cleanup and abatement orders to the Group 1 sites and negotiate with the landowners regarding a Board-managed remediation limited to tire removal and cost recovery.

On July 25th, we met with the property owners of

the Group 1 sites to explain the outcome of the Board meeting, to identify roles and responsibilities, and to discuss next actions. The consensus of the group was that satisfying the requirements of the environmental agencies and CEQA compliance were the critical issues that need to be addressed as soon as possible before we could implement any tire remediation or erosion control measures.

Therefore, we will be working closely with the landowners, the Southern Sonoma Resource Conservation District, and other regulatory agencies to begin identifying the specific environmental compliance issues that need to be addressed. We will be setting up a meeting with all the environmental agencies very soon. We also agreed to meet with the landowners on a monthly basis. Our next meeting will be in early September.

Also in Sonoma -- and this is hot off the wire. On Sunday afternoon, a fire was reported at the Yulupa Elementary School Playground in Santa Rose. Tire chips were placed at this playground approximately four years ago. The fire was apparently started by lighter fluid and ignited by vandals.

The fire department responded promptly, and the fire was put out within 15 minutes. Foam was applied and the chips spread to assure no hot spots remained. The playground area is approximately 500 square feet using

approximately 16 tons of chipped rubber.

The school district is working with our staff and the LEA to try and get the site cleaned up as soon as possible since school will be starting in a couple of weeks. So we're working with them on that.

I'd also like to report that to our knowledge we've tried to determine if we had funded that project, and to the best of our database scouring, they have not received Board funds. They applied for a cycle several years back, but it was not awarded.

Lastly, this September 2nd, 3rd, and 4th will be the Board's fifth waste tire conference. It will be held at the Double Tree Hotel here in Sacramento. Attendees include local government, regulators, and representatives from the tire industry. The focus of the conference is to present the issues that face California in dealing with over 30 million tires a year that are generated in the state. The agenda and speakers have been finalized and registration for this conference is now being accepted.

With that, any questions?

CHAIRPERSON MEDINA: Board members, any questions?

COMMITTEE MEMBER JONES: Mr. Chair.

CHAIRPERSON MEDINA: Board Member Jones.

COMMITTEE MEMBER JONES: Mr. Chair, not on the

four items that were presented by Mr. Dier, but I do want to bring to the Committee's attention an article today in "Tire Business" that talks about the California retreaders and the issues they're having with our manifest system.

I think this -- you know, I'm kind of amazed at the last sentence in this thing that says that -- by one of the retreaders that, "The Waste Board tried to cram this thing down our throat, and all it does is create jobs." We had three years -- two-and-a-half years of public meetings on this where we invited everybody -- everybody to come. And the fact that new tire dealers that do retreading and have retreading businesses decided not to participate or didn't think it was going to be an issue is maybe an oversight that could be taken care of, but it certainly was not an exclusion. And I really find that pretty amazing that that would be the comment, considering I went to quite a few of those meetings myself, and those people were in the room.

But I do think that we need to step this up and figure out some kind of solution, whether it's reopening our regs or something to accommodate -- the real issues are the service trucks that are picking up one and two casings to go be -- or up to ten casings to go be retreaded. You know, one of the problems is anybody in the state can say they're a retreader. So you can't give

an automatic exclusion.

But I think we need to, Mr. Chair, figure out a way to work on this that comes up with some kind of an equitable solution to deal with it because there was never any harm intended, obviously. But I do resent the fact that they act like they were never invited, because they were all sitting in the room from the day -- before we ever even suggested SB 876, those folks were in the room. And I know because I was in every one of those meetings. So I think we do need to put this on the list of things that need attention.

ACTING DEPUTY DIRECTOR DIER: Mr. Chairman, may I?

CHAIRPERSON MEDINA: We will certainly give it that attention, and I agree with you that we made every effort in all of these instances to involve both external and internal stakeholders.

Mr. Dier.

ACTING DEPUTY DIRECTOR DIER: Just if I may follow on with that lead-in with Mr. Jones.

We did meet with the retreaders twice in July. The first meeting was with 14, actually, retreaders. And listened to their concerns, and then we had a follow on meeting later in the week with the representative from the Bureau -- the Tire Retread Information Bureau. We had

gone into it trying to be very open-minded to try and address the concerns. In the end, though, we were pretty much limited by the definitions that are in the Public Resources Code that are in statute that include retreaders retreading as a waste tire.

And we communicated that to the industry in our response. But we offered what we thought were a couple of possible solutions, one of which -- because the concern that was expressed by them was the paperwork involved. And so we suggested that if they have the capability to do the electronic data transfer option that we are developing, and the other, which gets to the point Mr. Jones just mentioned, was for those vehicles that are going out and picking up one or two casings, deregister those so that they -- the tires do not have to be manifested. You know, we thought that was a solution that should apply to a number of situations.

We did receive a response which probably is what prompted the article in the "Tire Business" and numerous other publications indicating that they felt the response was pretty hard and that they were potentially pursuing -- going to be pursuing some legal action. I'm not sure legal action is appropriate. We tried to be clear with them that the actions in the Legislature to amend the definition -- if that's where the change is going to be

made. So it's an issue that, like Mr. Jones says, needs to be addressed. Thank you.

COMMITTEE MEMBER PAPARIAN: Mr. Chairman.

CHAIRPERSON MEDINA: Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: Just ask a quick question.

You know, I understand if someone's carrying one or two casings, that that may seem like a lot of paperwork for one or two. But is there any reason why the paperwork is more -- seems to them more onerous than it would to a small tire dealer? Is there something -- do they need to fill out any different information than other folks are filling out?

ACTING DEPUTY DIRECTOR DIER: No. It's the same information that's filled out by anybody, regardless of size, if they're a registered waste tire hauler. And the reason we offered that second possible solution was because if you're a registered hauler, you have to manifest every tire, even if it's less than ten. If you pick up one tire and you're a registered hauler, you have to manifest that. But if the vehicle is not registered, they can take up to nine tires and not have to manifest them, just like you or me or anybody else.

COMMITTEE MEMBER PAPARIAN: And we had an estimate, didn't we, on how long it takes to fill out the

form?

ACTING DEPUTY DIRECTOR DIER: I really wouldn't want to give a number. Personally -- it depends on the person doing it. It could take anywhere from 10 seconds to maybe 45 seconds. You know, they can have them pre-printed. They can have labels. The process can be expedited tremendously. It's a matter of less than a half a minute if it's approached properly.

BOARD MEMBER PAPARIAN: And that's the basis of their concern is that's the extra burden is filling out the form?

ACTING DEPUTY DIRECTOR DIER: It's the paperwork, yes.

COMMITTEE MEMBER PAPARIAN: Okay.

ACTING DEPUTY DIRECTOR DIER: And their primary issue is they don't feel that retread tires -- the casings are waste tire. And you know, they certainly can have that opinion, but like I said, it's part of the definition in the PRC.

CHAIRPERSON MEDINA: Okay. Thank you.

With that we'll move forward. We have three draft reports that are up for presentation and discussion today. That's Item B, Item C, and Item E. We will not be taking those as an action item today. We're not going to -- even though they have resolutions, we're not going

to be making any recommendations on those at members' request. We're merely going to listen to the presentation. We're going to have a discussion on it. And then it's very likely we'll bring them back for some action. But at this time there will be no vote on any of those items.

Item D has been pulled.

And we will have discussion on Item F, discussion of the waste tire enforcement program and activities.

So with that, first item is item B.

MS. DICKINSON: Good morning. I'm Linda Dickinson from the Waste Tire Diversion Section of the Special Waste Division. The presentation is Agenda Item B, consideration of draft report entitled "Assessment of the Markets for the Fiber and Steel Produced from Recycling Waste Tires."

During the five-year plan meetings and workshops held in January 2001 through March 2001, stakeholders and Board members discussed issues and assisted staff with preparation of the five-year plan. One of the issues presented during the workshop was locating markets for potentially valuable fiber and steel byproducts of waste tires. This byproduct material is expensive to landfill and adds to the cost of manufacturing for California waste tire recyclers.

At the March 2001 meeting, the Board approved the five-year plan, and the five-year plan allocated 100,000 in fiscal year '01/'02 to research possible recycling uses for the fiber and steel.

On December 11th, 2001, the Board approved the scope of work establishing guidelines for a thorough analysis of the potential and actual markets for the fiber and steel byproducts produced when waste tires are recycled.

On April 16th, 2002, the Board awarded the competitive contract to CalRecovery for $99,567, and this agenda item presents the results of CalRecovery, CalRecovery's literature review, survey of stakeholders, analysis of barriers, cost benefit analysis, and includes recommendations in a final report. I won't indicate the options for the Board because we're going to do that at the full Committee meeting. But it's important to note that the second reiteration of the five-year plan for the waste tire recycling management program passed by the Board in May 2003 has 400,000 in fiscal year '05/'06 designated to market fiber and steel uses.

Staff will review the recommendations from the report when developing a program to market fiber and steel byproducts from waste tire recycling processes.

So I'd like to introduce George Savage from

CalRecovery to produce his fiber and steel summary.

(Thereupon an overhead presentation was presented as follows.)

MR. SAVAGE: Good morning, Chairman Medina, and Committee members. My name is George Savage for the record, and I'm a principal of CalRecovery. It's my pleasure to present at least a summary of our report to the Committee members. I have about a ten-minute presentation, so it's just a broad bush overview. I'll hit some of the results, and then I'm going to spend probably most of the time on the recommendations.

CHAIRPERSON MEDINA: Before you proceed, let me just say that Item E has been pulled. So Item D has been pulled, and Item E has been pulled from today's agenda.

Okay.

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MR. SAVAGE: To give you an idea of the total overview of the scope of work, the study was broadly categorized into approximately five tasks. We did a literature search. We did an industry survey of processors, markets, and the tire industry with respect to processing tires and recycling tire byproducts. We also conducted a supply and demand analysis. We had tried to identify barriers to recycling of tire byproducts. And lastly, the last big task that we had was a cost benefit

analysis.

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MR. SAVAGE: A broad bush overview of the results with regard to byproduct steel and steel recovered from processing tires, it's a medium value commodity if it's processed correctly to achieve high quality. The recovery of high quality steel is likely achievable. Some steel scrap markets are available in California in our opinion.

With regard to byproduct fiber, it's a low value commodity that's typically produced. The markets are limited. They're usually in localized niches, or they're non-existent. And that situation applies nationally as well as in California.

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MR. SAVAGE: This is an example of some of the survey results. And just to give you an idea of the status of recycling of tire-derived steel and fiber in the United States internationally and in California with regard to steel -- recovery of steel, approximately 36 percent of the processors in California that responded indicated that they were recovering steel. That's relatively low compared to the results that we found for the rest of the United States as well as internationally. In terms of fiber byproduct recovery, the recovery is uniformly poor. It's on the order of one third. That is

two-thirds of the material is probably being disposed in some manner.

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MR. SAVAGE: In terms of the potential supply of byproduct steel and fiber that could be available in the year 2007, we estimated that there could be on the order of 7,500 tons per year for the year 2000 and up to 500 tons of tire-derived fiber. Those are relatively small numbers actually. And I'll get into the reasons for that in a minute. And these are based -- our 2007 estimates are based on looking at historically both the United States and in California what processors have been doing as well as the market situation. But to give you an idea of how this -- these numbers for steel and fiber compare with the potential diversion, that's if, for example, all tires in the state were to be processed for crumb rubber production, which isn't obviously happening now, but if it were, those numbers for steel would be approximately three or four times higher, and the number for tire-derived fiber could be -- it would be tens of times higher than the 500 tons. So I just wanted to indicate that these are our best case estimates for what the likely situation might be in 2007.

Another remark on these particular data, that regardless if we're talking about steel or fiber, the

estimates for production, even for maximum recovery, are still very small, less than 1 percent compared to at least the market for tire or for scrap steel in the state of California. So it looks like we could have some market penetration, which I'll talk about in a few minutes.

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MR. SAVAGE: Now I'm going to talk about some results for tire-derived steel and then tire-derived fiber. This is tire-derived steel. This is how the markets view it. The largest potential use by far is scrap steel. That would be remelt for steel and iron manufacture. But over 60 percent of the respondents indicated that even though that's the largest market, it still may be limited or non-existent depending upon a variety of conditions.

The primary problems are rubber contamination in the recovered steel, as well as the chemical composition of the steel. And the chemical composition of the steel is a problem because the steel is coated with brass or bronze, which has some contaminants with regard to steel manufacture.

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MR. SAVAGE: In terms of what's actually being recovered and produced, 60 percent of the processors are recovering steel with purities of 90 percent or more. So

that's fairly high quality. About 30 percent of the processors recover steel with greater than 99 percent purity. So that's very pure material. Recovery of high quality steel appears technically achievable. Clean steel yields sales for processors if markets are within economic reach and they know where the markets are.

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MR. SAVAGE: As an indication of the fact that if you produce high quality steel, it can actually be sold, this is -- these data are from commercial sellers of tire-derived steel. 42 percent of the respondents are selling steel that's 99 percent purity or greater. A third of them are selling steel that has a purity between 95 and 99 percent. And then you can see when we get down to 90 percent purity, in other words 10 percent contamination, the percentage of sellers is 10 percent. So the result of the -- what we can glean from this is the cleaner the steel, the greater the marketing opportunity.

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MR. SAVAGE: Now the situation for tire-derived fiber is a lot more nebulous. As I indicated, most processors are not recovering and recycling this material. So in terms of what we found for commercial -- and it's due to a lack of markets. So what we tried to do is identify what the potential markets would be. And based

on all of the survey results of the markets and uses, including those of the processors, the largest market is as a fuel, primarily as a fuel in cement kilns.

We also found some potential uses for carpet underlay, for carpet blends, and then use of fibers as filler for various types of applications, co-mixed with plastic and extruded, co-mixed with asphalt, those kinds of uses.

On the other hand, we found that the processors indicated in about a quarter of the cases they didn't find no uses. There's no uses whatsoever. And then as an aside, we asked processors if they had ever looked into trying to recover single types of fibers, polyester fibers or nylon fibers, and no one indicated they had even looked at that.

As I'll indicate in a little while, one of the problems with the tire-derived fiber is it's a mixed composition, and that makes it both low value as well as limits the market opportunities.

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MR. SAVAGE: This is the primary problem that processors in the markets are facing with the fiber recovered from processed tires, mixed composition of the fibers, polyester, rayon, cotton, nylon, et cetera. Fibers are typically too short. They're on the order of

an eighth of an inch to maybe, at the most, a one-inch length. They're crimped or bent, that's what crimped means. And consequently that's a detecting feature for many uses.

There's a substantial lack of information on material characteristics of tire-derived fibers. In our talking with both the markets and with the processors, it's almost impossible to get quantitative data on the fiber properties, which makes it very difficult to try to market the material. There's a lack of R&D to develop and evaluate potential uses of tire-derived fiber. And also a substantial drawback is information on cost and level of performance of fiber-cleaning equipment in systems is not well-documented in the literature.

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MR. SAVAGE: Conclusions with regard to steel. Steel has to be cleaned and packaged correctly for uses. Several hundred thousand dollars of capital investment is typically required. Data on quality of clean steel is lacking, so processors are exposed both to technical risk and therefore to marketing risk. There is a new industry standard that has been promulgated by this Institute of Scrap Recycling Industries having to do with tire-derived specifications. They indicate different levels of contamination. These set of guidelines or standards may

help to promote recycling of tire-derived fiber.

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MR. SAVAGE: Major conclusion for fiber, it's a mixed resin composition, and its physical characteristics also limit the uses. Although it's not material recovery, tire-derived fuel -- fiber use as tire-derived fuel is one use that at least can tolerate mixed composition.

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MR. SAVAGE: Recommendations for fiber, there's a lack of data on fiber characteristics, and there's a lack of applicable and adequate industry standards. And they limit market development, especially any potentially high value uses. The Board could assist in acquiring samples of clean fiber and facilitate producer user communication and market development.

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MR. SAVAGE: We found -- and I'll cover this again at the end -- that in terms of fiber, there is very little communication between processors and markets. And if there were more, I think the recycling of that material would move forward.

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MR. SAVAGE: Recommendations for steel and fiber, communication between buyers and sellers in tire-derived byproduct marketplace need to be improved. This

categorically applies both to steel as well as to fiber. Processors need marketing experience, and their low processing margins limit them in that capacity.

The Board could assist both processors and the markets by helping to facilitate this communication. And I realize the Board does have annual tire conferences, and I think those are a good vehicle for communication with the industry.

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MR. SAVAGE: And then just a couple of concluding remarks. Since some of the data in our report likely will be used to plan programs, since the markets apparently exist in California for tire-derived scrap, probably in terms of financial support of the Board, either grants, loans, or whatever or information dissemination, there would probably be a lot gained for just a modest -- modest effort there.

In terms of byproduct fiber, the situation is completely different because there's a lack of information on the recovered material as well as on the markets and uses. It's going to take -- at least in our opinion, it's going to take a longer term effort and probably would take more resources. And it's definitely going to take more coordination between the processors and the users to try to work together and develop markets to move byproduct

fiber recycling forward.

So that concludes my brief summary. If you have any questions or comments, I'd be happy to address them.

CHAIRPERSON MEDINA: Thank you.

Board members, any questions?

Board Member Jones.

COMMITTEE MEMBER JONES: Thanks, Mr. Chair.

Mr. Savage, I appreciate the report. We got it the middle of last week and started going over it. It's an issue that comes up all the time with the crumb rubber guys that they have no markets for this stuff, and it's sort of obvious why. But I appreciate the work. The one thing I was looking for when you were talking -- because I didn't see when I was going through it the first time -- did you include a list of the ISRI specifications for that steel?

MR. SAVAGE: No, we didn't. But a good point. We can put those in the back as appendices. They were promulgated in May. While we were going through the process of preparing the report, they simultaneously were promulgating. So that's a good point. We can do that.

COMMITTEE MEMBER JONES: I think it would be helpful. But thanks. I thought there was a lot of information. It's going to take a little longer than three days to digest it.

MR. SAVAGE: I can imagine. You're welcome. Thank you.

CHAIRPERSON MEDINA: Board Member Paparian.

COMMITTEE MEMBER PAPARIAN: Mr. Chair, I'd like to add my thanks too. I think it's an excellent overview of the situation.

The question for you -- you mentioned that there's a lack of material property information on the fiber?

MR. SAVAGE: That's correct.

COMMITTEE MEMBER PAPARIAN: Is that something that we can solve? Can we contract with the materials lab or something to get the type of property information that would be of use? Or is it just that the properties are so varied that it's difficult to obtain?

MR. SAVAGE: It's not the latter. The properties are definitely variable, probably from location to location, processor to processor. But I think it's very important for somebody to collect this information. We really couldn't do our job with regard to marketing of byproducts because we have no idea what's in it.

On my own, I went to a processor to find out what the stuff looks like. It looks like the stuff you pull out of a vacuum cleaner and throw in some crumb rubber, and that's what you're dealing with. It would be

possible, at least in my opinion in particular, if you protected the names of the processors from which material were collected to have somebody collect samples and have them analyzed. You know, I don't know how many samples would need to be collected. You need to collect enough so you can get some kind of representative and statically valid data. But we have to start someplace.

You can't imagine how many of the users asked me, "We might be able to use this, but how long are the fibers? Are they crimped? Are they bent? Are they coated?" That's another thing. The fibers are coated with material to make it adhere to the rubber. And some of these coatings are proprietary. The only way anybody is going to find out about this is to grab some samples and collect them. Even the processors in the markets don't know what they are.

I did speak to some of the market people and the first thing they would do is get a sample of this material and send it out to a lab. They do particle size distributions and they do chemical analysis. So it can be done. It can be done.

COMMITTEE MEMBER PAPARIAN: So the type of entity we would look to do that would be some sort of materials lab?

MR. SAVAGE: Well, you're going to need probably

two entities. One is somebody who knows something about the business to tell -- the way this usually works in the waste business is you've got to have a waste person who kind of knows the lay of the land and what needs to be done. Then they talk to a laboratory between an engineer or whatever that knows the technical side. And the lab people who know what kind of tests can be run on different types of material, you come up with the sampling plan. Somebody goes and collects the samples. They come back, and send them to a laboratory. You get results back. Somebody writes up a report that knows how to statistically analyze the data and put it in the right context so it can be used by processors in the markets, and that's normally how it would be done.

BOARD MEMBER PAPARIAN: My other question is, in looking at other states -- or I guess you looked at Europe a little bit also, anything really interesting happening out there in this area? Any interesting uses or programs for developing uses for these products?

MR. SAVAGE: I think there's a number of different uses, regardless if we're talking about the U.S. or Europe or even California that -- fibers, if we're just talking about fibers.

COMMITTEE MEMBER PAPARIAN: Fiber and steel.

MR. SAVAGE: If we're talking about fibers, I

think if we got some material data, there's a lot of uses. There's carpet underlays. They can use fibers in asphalt. They can use it in concrete. The problem we have is nobody can go forward because nobody knows the properties.

With regard to steel, it's the same thing, because the steel comes out in pieces that are probably a quarter of an inch to up to an inch or two inches long. Those can be used as reinforcing for concrete, for example, if they've got the right chemical coatings and they don't have interactions with the concrete. So those kinds of uses actually have been researched. It's just that they haven't gone forward because nobody's collected enough data. And to be quite frank, there's not enough research money in tire byproduct R&D. I think the situation would change if somebody would put some money into it.

COMMITTEE MEMBER PAPARIAN: Thank you.

CHAIRPERSON MEDINA: You mentioned that California has a lower recovery rate of steel as compared to the rest of the U.S. and internationally.

MR. SAVAGE: That's correct.

CHAIRPERSON MEDINA: I wonder if you can go into some of the factors that you found that contributed to some of that.

MR. SAVAGE: Sure. I'd be happy to.

First of all, there is one steel mill in the state that can accept this type of material, and that's the Tamco facility. I think it's in Rancho Cucamonga, if I remember right. It's down by Los Angeles. So we're limited to one end user in the state. There is another scrap steel mill that's in the northern part of Mexico, Baja. But with regard to the situation in California, what we found is a number of scrap metal dealers apparently are exporting the material, from what we could find out. So they have an export market. What's -- the reason there's no more end use here is because it's very expensive to put in a steel mill of a given capacity. And they would have to have supply from a lot more than all the tire processors in the state of California.

The reason that probably Tampco can accept more material is because they've got higher quality material they can get from other places. I think if someone produced 99 percent scrap steel or byproduct steel from tire processing, they probably could at least actively market it to Tampco. But that's the only market they got.

A lot of scrap metal dealers told us that if the material was 95 percent or greater purity, especially 99 percent purity, they could export it with absolutely no problem whatsoever. And we also found a market also in the pacific northwest that through scrap dealers would

also take tire-derived steel.

CHAIRPERSON MEDINA: Okay. Thank you very much.

Board Member Jones.

COMMITTEE MEMBER JONES: Thanks, Mr. Chair.

Just one follow up question, George. I'm confused. On the fiber, we're talking about analyzing it. When a tire processor gets in 5,000 waste tires, they're going to come from probably 15 different tire manufacturers, or at least be 15 different types of tires, which all may have a different fiber underlay.

MR. SAVAGE: That's correct.

COMMITTEE MEMBER JONES: Which are all -- in all likelihood based on what I read in this report, could all be different.

MR. SAVAGE: That's correct.

COMMITTEE MEMBER JONES: So I'm a little worried we're now going to spend another 100 grand to make a determination that there's no consistency in the fiber. So when you test it, you're going to find out exactly what we probably know already today, there's no consistency in the fiber to give to the end user.

MR. SAVAGE: I'm not here to argue with that. I'm not here to waste the Board's money.

COMMITTEE MEMBER JONES: I wasn't saying you.

MR. SAVAGE: No, I know where you're coming from.

That's my attitude. So here's my response to that.

One of the reasons that we asked is anybody trying to separate out the different types of fibers, which you could do if you wanted to, I think, if you knew they were all polyester tires, at least you're just dealing with one resin. It may have a different composition, but the base compound is polyester.

I think one of the things that a sampling program might identify is how much polyester, for example, is out there because I don't think people know. We could probably guess or ask manufacturers, if they'd even give us the data, which they probably won't. So I think the object is probably not to spend a whole heck of a lot of money on sampling, but there's some key things. Can we find out some basic things, the size and the composition and some of the chemical characteristics? Maybe can you do that for $20,000. I wouldn't spend $100,000 off of that. I just don't think it would be wise.

But I think it would be wise to find out if we have these data, if you send it to different users or potential users, will they say, "Yes, we can use mixed fiber." Because if the answer is categorically no, then you only have two alternatives, in my opinion. One is you chemically convert that mixture to something else, which involves energy either by burning it or by some chemical

thermal process, or you landfill it. And I think that's the key crust to the matter. Can we recycle it as a mixed commodity and not lose a lot of money, or is the only alternative we have to deal with it next year and thermally convert it or pull out individual fibers?

And if it turns out that mixed can't be used, it's just not economically feasible, the next issue is, well, could they stamp tires so we know that tire is a polyester tire? They're always changing these -- and we already broached this subject because we know they put different codes on the tires. So that was the motivation behind asking that question, "Is anybody doing it?" And we followed up, could it be done? Yeah, it could be done, but there's all these regulations, and this, that, and the other thing.

That's a long-winded answer. But the crux is I don't think you have to spend 100,000, but we ought to at least identify, can we recycle it as mixed, or do we have to look at thermal conversion or individual fibers?

COMMITTEE MEMBER JONES: Thanks, George.

CHAIRPERSON MEDINA: Okay. Thank you very much for your report. It's very informative. And we'll do some follow up on that.

MR. SAVAGE: Okay. If you have any questions, I'm sure you'll let me know. It's our pleasure to help

the Board.

ACTING DEPUTY DIRECTOR DIER: Mr. Chair, if I might. Respecting your intro comment with regard to how these reports would be treated this morning, I would ask that the Chair of the Committee might reconsider this report because it is quite informative. It's non-controversial, and we were hoping to have it available at the conference in just a little less than a month, at the tire conference. I'd like to just request if you might reconsider and pass this along to the Board with the resolution for adoption.

CHAIRPERSON MEDINA: Board members, any objections?

Board Member Jones.

COMMITTEE MEMBER JONES: My only concern -- I have no problem with this report. The problem was we got three huge reports. I read every page, and I was having real difficulty trying to get a little more out of it than -- so I wanted to make sure that it wasn't going to lead to, you know, spending $80 million on more stuff. And that's my concern with all these reports.

You know, so I mean, I'll go along with whatever the Chair wants to do. But you know, my concern was that I really -- that the Board have a chance to really understand what's in here. And you know, I mean, I think

that the dialogue Mr. Savage and I just had, there's a recommendation to do more studying, but truthfully I think that tires are regional depending upon where, you know, you're getting that tire to go to a processor. And those compounds are going to change. Like you say, some of it's going to be polyester. Some of it's going to be rayon. Some of it is going to be something else. And I think we need to understand that before we go out and start spending money on other stuff.

So I'll go along with whatever the Chair says.

CHAIRPERSON MEDINA: Very good. We will go ahead and make this report available to the conference.

COMMITTEE MEMBER JONES: So if we're going to accept it, you need a motion.

ACTING DEPUTY DIRECTOR DIER: The resolution is 2003-404.

COMMITTEE MEMBER JONES: Mr. Chair, I'll move adoption of resolution 2003-404, consideration of the draft report entitled "Assessment of the Markets for Fiber and Steel Produced from Recycling Waste Tires," tires recycling management fund, fiscal year 01/02, IWM CO144.

CHAIRPERSON MEDINA: Is there a second?

COMMITTEE MEMBER PAPARIAN: Second.

CHAIRPERSON MEDINA: The resolution has been moved and seconded. Call the roll, please.

SECRETARY HARRIS: Jones?

COMMITTEE MEMBER JONES: Aye.

SECRETARY HARRIS: Paparian?

COMMITTEE MEMBER PAPARIAN: Aye.

SECRETARY HARRIS: Medina?

CHAIRPERSON MEDINA: Aye.

This will go on consent.

ACTING DEPUTY DIRECTOR DIER: Thank you, Mr. Chairman.

CHAIRPERSON MEDINA: Next item, Item C, consideration of the draft report entitled "Increasing the Recycling-Content in New Tires, tire recycling management fund, fiscal year 2001/2002/2003. This is August Board Item Number 29.

MS. DICKINSON: Good morning, Chairman Medina. This is Linda Dickinson with the Waste Tire Diversion Section again of the Special Waste Division.

Again, presentation is for Agenda Item C, consideration of the draft report entitled "Increasing the Recycled Content in New Tires," August Board Item Number 29, and it's IWM CO138.

During the Board's five-year plan meetings and workshops held from January 2001 through March of 2001, stakeholders and Board members made recommendations to address the need to research the topic of increasing

recycled content in new tires. Further, workshop participants stressed the importance of addressing the Board's waste management hierarchy of source reduction, recycling, and composting and environmentally-safe transformation and landfill disposal.

Increasing the recycled content in new tires addresses waste management practice number two, recycling and composting. In January 2002, the Board approved the scope of work for a contract to investigate the viability of increasing the level of recycled content in new tires. On April 16, 2002, the Board awarded a competitively-bid contract to Nevada Automotive Test Center for $228,770.

The second iteration of the five-year plan for the waste tire recycling management program passed by the Board in May '03 has no funding for any of the recommendations in this report listed.

Muluneh Sime from the Nevada Automotive Test Center is here to present a summary of the findings from his report.

CHAIRPERSON MEDINA: Thank you. And before we move on, this particular report will not be ready for the conference. So we're not moving for approval on this particular one.

(Thereupon an overhead presentation was presented as follows.)

MR. SIME: Thank you, Linda, Mr. Chairman, Board members, thank you for the opportunity to speak before you today. My name is Muluneh Sime with Nevada Automotive Test Center. I'll be speaking about -- on the topic of increasing the recycled content in new tires.

Some of the topics we'll be covering today will be some background information as to where we were versus where we are now in terms of recycled content and crumb rubber generation, studies conducted in the past in terms of increasing recycled content again, some of the factors affecting recycled content, consumer behaviors associated with tires for recycled content, purchase and use, and industry roadblock, and what are the potential incentives for -- if there is a need to push this further, whether there's incentive for manufacturer, retailers, and consumers to purchase or use tires with recycled content, and then finally a recommendation.

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MR. SIME: To just have an idea as to what has happened over the last ten years, this data I show here is to show that in the past ten years, the market for ground rubber has increased by about six fold, and we want to see how this fared with respect to crumb rubber generation that is suitable for increasing recycled content.

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MR. SIME: It is found that although there is so much increase in terms of ground rubber market, there is very limited progress in terms of increasing recycled content into new tires for various reasons that we're going look at at a later time.

In terms of a percentage of increases, one could argue that, you know, over the past ten years the increase has been from .5 percent recycled content to 5 percent, which sounds significant. But if one looks at the total number of waste tires generated annually, that may not be a significant number.

The other point also is that we have not identified whether this increase in 5 percent at this moment is only coming from whole tires or also includes factory waste which may be impacting the actual number of tires that actually have been recycled into new tires.

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MR. SIME: Some of the factors that make this process for increasing recycled content difficult -- and I'm sure this has been reported widely in the past as well -- is the fact that tires have many compounds that are very individual to each manufacturer, and that fact alone kind of limits how much amount of tires can be -- recycled content can be put back into new tires. And in some respects, some of the processors have indicated that

because of the fact that the uniqueness of each manufacturer's compounds need to be safeguarded, they are only processing factory waste as opposed to processing all waste from -- waste from whole tire.

So from that perspective, what we're looking at is what are the factors that are affecting the processing as well as the use of recycled content in new tires.

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MR. SIME: One of the things that is widely agreed upon by manufacturers and also some of the users as well as also from research laboratories, is the impact of recycled content on the performance characteristics of tires. There is some amount of research that was done looking into the effect of recycled content in rubber -- not necessarily in tires, but the laboratory analysis of the strength characteristic, the performance characteristic of rubber is investigated by many.

And currently the state of North Carolina has a contract with Continental Tire where they funded about $1.2 million contract to investigate this issue itself. And we're hoping we'll learn quite a bit as to the challenges they faced when the report comes out at the end of this month.

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MR. SIME: In summary, one of the main things

that's looked at in terms of performance, which is a common denominator among all stakeholders, is that what is the effect of recycled content and life span and if we can incorporate how much is a limit. On the other hand, also what is the effect of recycled content on rolling resistance and fuel economy and relate issues and also in terms of performance such as traction and handling, durability and skid resistance, ride quality, and other expected performances from tires.

In summary -- this issue that are trade-offs of performances and eventually affecting the cost as well have to be synergetic with each other in order to be able to come to a point where this is the ultimate amount of crumb rubber we can include into the rubber -- into the tire.

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MR. SIME: Some data here to indicate the different levels of crumb rubber used in rubber. For example, if you look at the tensile strength change, by adding 50 percent crumb rubber to the tire, we could possibly see a tensile strength reduction of more than 50 percent. And obviously, this is significant impact in terms of how much we can actually put back and not have any adverse effect on the tires.

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MR. SIME: Similarly, another study is shown here where crumb rubber generated from tread versus crumb rubber generated from whole tires is looked at. As you can see here, there's a slight improvement by using the crumb rubber from tread, as opposed to using crumb rubber from whole tire in terms of, say, for example, improving the tensile strength within 5 percent of added crumb rubber.

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MR. SIME: In summary, it has been widely reported 3 to 5 percent is achievable in terms of including recycled content in new tires. But beyond that, there is a need for more investigation and understanding of what limiting factors are, be it economic or mechanical or physical property changes. From the manufacturer's standpoint, the biggest issue is the price of crumb rubber or recycled content should be significantly lower than that of virgin or natural synthetic rubber before they aggressively consider this.

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MR. SIME: What are the factors affecting recycled content? There are quite a few. I just listed some of them here to glance through, start from collection all the way to processing and quality control.

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MR. SIME: There are quite -- a couple of processing methods that are current commercially ambient grinding, and cryogenic, and wet grinding. The latter two are considered to produce quality crumb rubber in terms of the use for recycled content. The ambient grinding processing does not allow itself for using that product for increased recycled content because of coarse grain size of the crumb. Other processing methods that are still in the developing stage, basically they're not commercialized, are ultrasonic devulcanization, chemical and thermal devulcanization.

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MR. SIME: Consumer perception is basically tires as recycled content are inferior to those of virgin products and are not willing to pay the price which is equivalent to a new tire or tires with virgin components only.

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MR. SIME: The TREAD Act may have also had a significant impact. As we have noticed in our literature search, most of the advertisement-type promotional literature, like put out by Ford and other companies, is pre-dated 2000 -- the year 2000 after which this law was enacted where it appears that at some level of reservation, in terms of making comments -- even though

they might still be using recycled content in their tires.

We contacted about -- randomly selected about 15 dealerships in California, northern, central, and Southern California and asked about their awareness of recycled content, and the response unanimously was, "We are not aware of this, and we're not promoting the environmental aspect of recycled content and content advantage." So from that perspective, there is no promotion that's going on in terms of making the public aware of -- consumer aware of the benefits of recycled content.

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MR. SIME: Industry roadblocks essentially transfer from those issues we discussed as part of what are some of the tradeoffs and challenges associated with increasing recycled content. In interest of saving some time, I'll skim through this.

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MR. SIME: One of the things that was considered is the location of processing plants that can generate crumb rubber for the use in new tires relative to the location of tire manufacturers is very crucial. One example to be mentioned is the state of California -- state of North Carolina is trying to attract investors to establish their processing plants in North Carolina. And

one of the biggest challenges they were running into, you know, their relative location to the supply of tires and to some extent to the majority of the tire manufacturer locations, is a limited factor for somebody to go and take a change of investing in that tire of environment. Looking at that maybe in terms of availability of tire, California may be the one that has the most advantage nationwide. There is that one benefit.

On the other hand, California does not have a tire manufacturing plant in the state. So the closest state is about 2,000 miles away from here, so there is a balance issue that needs to be looked at. Moreover, energy cost in California is so significantly higher from those other states with tire manufacturers. Those need to be considered as well.

So if feasibility analysis is done and somehow it was figured out that it is possible to generate crumb rubber or supply crumb rubber because of large supply of waste tires, it may be possible that buffings may be the way to go in terms of submitting it, shipping it to the processing plants, nearby tire manufacturers.

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MR. SIME: Maintenance is considered as one of the other major industry-wide block in terms of cost effectiveness and the reliability of equipment is very

low.

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MR. SIME: And because of that, there are some challenges associated with building new processing plants. Reliable sources of waste tire supply, we discussed that.

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MR. SIME: There is another issue, the quality of rubber that is produced currently is not sufficiently -- is not acceptable -- according to some of the manufacturers it's not acceptable to include this as recycled content. And there are some procedures that are established by ASTM, a couple of standards that were put out which are suggested to be followed in terms of the quality as well as the particle distribution. And the other factor, of course, is crumb rubber price as we discussed earlier.

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MR. SIME: One of the things that was found in this study is about 60 to 80 mesh range within, the price of crumb rubber has pretty much kind of stabilized and flatted out. Which indicates that, you know, to give an incentive to a processor, you know, go from 60 mesh to 80 mesh, there has to be a reason why to have to add that much cost into the processing to get a margin of price increase of very little amount.

So although these data are just looking at the price, the other aspect of this data is that if processors look into this data and compare -- again, it's the cost of processing in-house, you know, what they are processing right now and sees a delta, that would be very useful for them to be able to reach a conclusion whether this is feasible or not.

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MR. SIME: Potential incentives for manufacturers, retailers, and customers. One of the key incentives, we believe, is if requirements are imposed by vehicle manufacturers as primary customers of tire manufacturers, I think working with the vehicle manufacturers may be one way of trying to make some progress within the limits of, you know, the performance capabilities of tires with recycled content.

Another issue is incentives through extended tax exemptions and equipment and land grants. And of course, in California I think one of the things, as I was mentioning earlier, is to consider retreaders as partners in promoting this technology because buffing can be an inter-media process where initial capital investment for shredding is not required.

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MR. SIME: At last the recommendation -- I think

one of the things that was not widely understood among various groups is that what does it do out in the field when you put it on a vehicle? Do we know? Do we have some data that tells us if I have 5 percent content or 10 percent content -- recycled content, what is the degradation in terms of durability, traction, and thermal performance and things like that. And that's very important to answer before making further investment in terms of finding out, you know, how much we can incorporate. Maybe acquire some tires that have no recycled content and conduct some evaluation -- over-the-road evaluation and see if that makes a good suggestion as far as moving forward for increasing recycled content.

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MR. SIME: There is a significant economic barrier associated with this process, especially for California because of the lack of -- the absence of tire-producing plants in the state and transportation requirements.

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MR. SIME: More research is still required to understand how crumb rubber added into tire behaves, whether it is filler material, does not have any chemical reaction, or whether it has some chemical reaction

processes involved.

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MR. SIME: Another aspect of this is also looking -- if buffing is used as an alternative source of raw material for crumb rubber generation, the other issue to be addressed is as the market needs -- the competing markets that are requiring crumb rubber, how they would be affected. That needs to also be evaluated.

And thank you. If you have any questions, I'm glad to be --

CHAIRPERSON MEDINA: Thank you for your presentation.

At this time I'll open it up to Board members, and then we do have one public speaker.

So Board Member Paparian and then Board Member Jones.

COMMITTEE MEMBER PAPARIAN: Thank you, Mr. Chairman.

The North Carolina study, did you talk to folks from North Carolina?

MR. SIME: Yes, I talked to them. And they're still waiting for the final report to come out before they say anything basically as far as making comments. But generally the sense is that they have been having some challenges in terms of supply of quality crumb rubber.

COMMITTEE MEMBER PAPARIAN: Did you get any information to indicate that they thought you could go above 5 percent in terms of the content of tires?

MR. SIME: They are -- their experimental design matrix originally contain up to 25 percent recycled content, but they wouldn't comment anything above 5 percent at this point.

COMMITTEE MEMBER PAPARIAN: My staff talked to them yesterday and indicated some slight increase above 5 percent. The folks from North Carolina are indicating to my staff that you can get above 5 percent in terms of the recycled content.

MR. SIME: That may be the case after they find out they -- you can or you cannot get?

COMMITTEE MEMBER PAPARIAN: That you can.

MR. SIME: The understanding is it is conceivable to get up to 15 percent. I think in the past it has also been experimented 10 to 15 percent recycled content.

But in terms of the degradation of performance, there is not sufficient data out there to indicate that there is no significant adverse impact on the performance of these tires with 10 or 15 percent.

BOARD MEMBER PAPARIAN: In terms of tires on the market today that have -- you said up to 5 percent. I think we heard from the manufacturers last October that

they're using up to 10 percent recycled content. But even using the 5 percent figure, is it your belief that the tires that we could buy across the street today that have 5 percent recycled content are in any way inferior to tires using all virgin material?

MR. SIME: No. It's not my belief. The issue is we -- because we have now generated data that shows side-by-side comparison, the argument is that we don't have the supporting data. But I do not believe that adding 5 percent would have an instrumental effect on the performance of the tire.

COMMITTEE MEMBER PAPARIAN: So if there are some tires out there right now that have, say, zero percent recycled content and some tires out there that have 5 percent recycled content, if more people bought the 5 percent recycled content tires, it seems to follow that more tires would go into that market, and more waste tires would go into the marketplace as filler in new tires. Is that --

MR. SIME: I think that would be the case. But the issue there is that since the TREAD Act that kind of reporting -- for example, if we take 1998, for example, there was about 1.2 million tires that were reported as rolling over the road from Ford tire company. And there was also similar data in 1999 on minivans made by Ford.

However, looking at 2000, there is not as much publication. But for all intent and purposes, they may still be producing that. But in terms of marketing, they are not -- they're not advertising that as an advantage, if you will, to the consumers.

COMMITTEE MEMBER PAPARIAN: But I'm sure our staff told you that when the tire manufacturers came here last October, they told us, this Committee, that they are using recycled content in quite a few lines of tires, and they would be happy to share that information with us about which tires had recycled content. Maybe you weren't aware of that.

MR. SIME: I actually contacted some of the tire manufacturers in asking for that data, and as a contractor, they were not willing to share that information with me. But in retrospect, I probably should have gone through your office.

COMMITTEE MEMBER PAPARIAN: So one of the things we could do is try to hold the manufacturers' feet to the fire in terms of letting us know that information. Once we have that information, presumably we could do things like we do in virtually every other product category which would be for state purchases of new vehicles and replacement tires, to seek those with the higher recycled content. Did you consider things like that in your

report?

MR. SIME: I think I have in the recommendation portion -- I think I have indicated that possibly using the state fleet as also not only acquiring those tires but also use them as a demonstration ground for, you know, promoting to the public that, you know, state-owned vehicles are operated on these tires for extended period of time, and their performance in terms of traction as well as fuel economy and all that is not significantly different from tires with no recycled content.

So I think that's a very appropriate way of actually killing two birds, if you will, with one stone. And it also serves as a demonstration ground.

BOARD MEMBER PAPARIAN: And then in terms of your statement that the public will not buy recycled content tires because of their belief they are inferior in either quality or safety, what's the basis for that? Is there a survey out there?

MR. SIME: It's basically -- in fact, this is drawn from the little survey we did about dealerships and why don't you promote it that way? And why can't you tell to the tire manufacturers and to the consumers as to the contents of your tire. The unanimous answer was, "Even if we knew" -- and first of all, they did not know which tire had recycled content and which tire did not. But if they

knew for marketing perspective, you may not be advisable to them.

So from -- and the consumers, if when they're aware -- some of the ones who are discussing the issue, if we have told them -- some of them where we discussed this issue with them, they have taken reservation that, "I would rather buy one that is made with recycled content." But as far as data, there is no data. It's a perception again.

COMMITTEE MEMBER PAPARIAN: It's a perception on the part of the dealers.

MR. SIME: Dealers.

COMMITTEE MEMBER PAPARIAN: Are you aware of some of the literature that indicates there are consumers out there who actively want to buy recycled content products, that look for those products in the marketplace?

MR. SIME: For tires with recycled content?

COMMITTEE MEMBER PAPARIAN: No. Across the board, they want to do things that are a little bit greener.

MR. SIME: Absolutely. There is no argument there.

COMMITTEE MEMBER PAPARIAN: So there's some portion at least of the consumers who would benefit from information about recycled content in tires and that may

affect their decision making?

MR. SIME: And, in fact, the suggestion about doing a comparative testing and showing some data would help promote that. Even for those who are the skeptics, I think it may be possible to convince, you know, through data as to, you know -- it's not -- it does not have a significant impact within that percentage.

COMMITTEE MEMBER PAPARIAN: And I would even assert -- I know Mr. Jones raised the issue of spending a lot more money on more studies in the last agenda item -- that just having the information and providing it in an appropriate way would be adequate that we don't need necessarily to go out and do a lot of testing. If there are tires with 5 or 6 percent recycled content that are comparable to tires -- you know, big name-brand tires comparable to the ones with zero percent, that there are some consumers that would prefer to buy that and therefore increase the average recycled content in all tires out there on the road.

MR. SIME: If that type of information is achievable, say, for example, from tire manufacturers, yes, that's the way to go. And this should not be a big investment in terms of generating comparative data.

COMMITTEE MEMBER PAPARIAN: And then finally --

CHAIRPERSON MEDINA: Board Member Paparian,

before you move on to your next question, let me say that we're going to go to ten to 11:00. Then we're going to take a break from ten to 11:00 until 11:00, and then we are going to take care of the last item between 11:00 and 11:30. So if you can wrap up, Mr. Paparian.

COMMITTEE MEMBER PAPARIAN: Okay. A couple other quick questions.

Looking back at the scope of work, there was supposed to be some solutions suggested related to consumer education on the advantages of purchasing tires with recycled contented. As I read the report, it looked like it was a recitation mostly of the barriers but not much about how to develop a program to educate consumers on the advantages of recycled content in tires.

Did I miss something, or was that in there?

MR. SIME: I think we felt that I think identifying, you know, the barriers as a whole was crucial to identifying, you know, possible solution for them. But in terms -- I think the solution we -- or the recommendation we're providing is essentially focused on generating quantitative data that would allow, you know, some of the myth about using recycled content to kind of be minimized by -- like I was mentioning earlier -- by demonstrating through government or country fleet vehicle or by doing comparative evaluation or if there is data

available to the Board using that data and making that available through some media, the Internet, or however that can come out, I think that is our suggestion in terms of making the public aware of the possibility of using increased recycled content.

I'm not sure if I did get your question?

COMMITTEE MEMBER PAPARIAN: I think you did answer it. Just a final thing.

One of the tasks was to develop scopes of work addressing things like consumer perception of tires and several other things. Do we have those scopes of work? It wasn't in the report that I got.

MR. SIME: I think some of them are indirectly indicated. But there will be some additional added outlines as to some of the scope of work for future in terms of, you know, essentially how those recommendations can be implemented. There will be some outline for that.

COMMITTEE MEMBER PAPARIAN: Okay. Thank you.

CHAIRPERSON MEDINA: Okay. Thank you, Board Member Paparian.

Board Member Jones.

COMMITTEE MEMBER JONES: Thank you, Mr. Chair. I appreciate it.

I appreciate the report. I'm not quite as optimistic as Mr. Paparian. I'm worried about a couple of

issues. I'm worried about the internal heat that's generated with added recycled content. One of the biggest failures of a recap tire is internal heat that will blow the cap off of a tire.

Is the North Carolina study going to look at not only the rolling resistance, which is going to eat up fuel, but are they going to look at that internal heat from the standpoint of what the safety is for the tire? Is that part of that study?

MR. SIME: That study -- it's my understanding that it's a broad study. But I could not comment as to the content of it because, in fact, their suggestion to me was wait for the final report. And you will get a copy of it, and we'll go from there.

COMMITTEE MEMBER JONES: Because I think that's pretty critical. There seems to be some pretty clear indications that the tire manufacturers prefer using their own scrap as part of their filler because they've got a consistent compound -- and we're going back to the filler issue -- or the fiber issue -- that we start mandating tire content, we're going to be looking at exposing those tires to different chemical compounds that may at some point deal with the integrity of that tire.

And so I think it's going to take an awful lot more understanding before we ever say anything. I mean,

this is not alarming. I've heard it in the past, you know, from the tire manufacturers that they're concerned about that feed stock of crumb.

But I want to get back to -- I mean, there are no tire manufacturing plants in California. So irregardless of what we make, we're delivering crumb 2,000 miles makes it probably impractical, considering that North Carolina has -- between North Carolina and South Carolina there are seven manufacturing plants -- seven -- that put out up to 24,000 tires a day. And they're having a hard time getting crumb into those factories, needs to tell you that -- I mean, North Carolina should be a source -- could be a source of waste tires for processors. Clearly with seven manufacturing plants, their cost to deliver is going to be minimal compared to processors in the state of California. I mean, doesn't that kind of throw up an alarm to you?

MR. SIME: And also the energy cost. I think the relative energy cost as well.

COMMITTEE MEMBER JONES: Oh, yeah. I mean, 12 cents versus -- it's probably cheaper in North Carolina than it is in Oklahoma. You said 8 cents in Oklahoma. I'd be surprised with Duke Energy sitting there in North Carolina, they may just be a tad cheaper than Oklahoma.

Those are the kinds of issues I think we need to

fully explore rather than just, you know, jumping forward. You know I'd love to see recycled content in everything. I would. But with what happened with Ford and with those tires and the amount of people that got killed, they're still trying to figure out who to blame. And that's going to be years down the road. You know, how much is tire and how much is the actual car or the vehicle? But I think we've got to know a lot more before -- you know, if the manufacturers come to 5 percent of their own stock, then we need to see what that North Carolina study says.

I'm really worried about that internal heat generation. I mean, that's a -- to me, that's one of the most telling barriers in this study.

MR. SIME: I think you're absolutely right in terms of the heat generation issues, in terms of the flexibility of the tire based on how much recycled content in it. We have to be very careful there as to, you know, what -- how much we can push that line.

However, the other side of it is, if, as the tire manufacturer indicated, 5 percent recycled content does not have a significant performance impact, I think it's worth looking at that 5 percent comparatively. Because based on scrap tire management accounts or report, there are some numbers about maybe 50 million pounds which is probably about 50 million tires recycled. Maybe with

recycled content that can be produced at that level. Even with that, with the number of tires that are annually produced, there is some room, even with that content to increase the recycled content. Whether that is price-wise justifiable, that's also another issue.

The manufacturers look at performance, degradation, of course. And the bottom line also is that it has to make sense, you know, from financial standpoint to -- if it is not cheaper than what you get on the market or comparable, it will be difficult to convince anybody including the processors -- because right now most of the processors that are reported to have been supplying to tire manufacturers like Ralph, PolyAmerica International, and also there's a company, Land Star in Pennsylvania -- I think headquartered in Pennsylvania -- both of them said they are not supplying that anymore to any of the manufacturers, that they have stopped that line of business.

So it is an indication that that demand is not created. And to create the demand, I think we need to understand how much actually the manufacturers can accommodate or can absorb and how well engaged all the manufacturers are. I think we do need to keep them engaged in terms of, you know, the research associated with this by providing and finding a source for quality

crumb rubber, by finding closer reduction measures and improving processing and quality improvements.

So I think there is -- even within that 5 percent, there is something to look at in terms of how much it would cost. I don't think that we need to spend -- go out and spend a lot of money. But I think we need to look at data that is out there. Or if we need to generate data, we need to generate limited data and show that it is, indeed -- by an independent lab or test conduct -- I think we need to demonstrate that.

CHAIRPERSON MEDINA: Okay. Thank you.

Board members, there are some issues that need further exploration here, and we will bring it back for further discussion before we approve this report.

I now would like to call on Mr. Mark Murray, Californians Against Waste. And then after his remarks we will -- if there is no public speakers, then we will adjourn on this item, take a break, and then come back.

Mr. Murray.

MR. MURRAY: Mr. Chair, Members, Mark Murray with Californians Against Waste. I'll be brief.

This report covered a lot of ground, had a lot of technical information, and I think there's a lot of stuff to chew on there.

I'm not sure that we're at a point where we can

be recommending specific minimum recycled content levels for tires sold in California. However, I want to just note a comment -- a statement that's made in this report. "Among the many uses of rubber from waste tires, the ability to use material to manufacture new tires ranks at the top in terms of desirability." That's from a market development perspective.

I would also note that no matter what market development efforts we're pursuing with regard to waste tires, we always run into the same barrier of generally the cost of processing the tires exceeds the value to the end user. Now it's one thing to force these third-party end users -- be it tires to energy or rubberized asphalt -- for those third-party entities that are trying to do the right thing, forcing them to pay to cover the cost of processing these tires. However, I think it's very appropriate to require the manufacturers of tires to internalize that cost of processing. And that, to me, from this report seems to be the biggest barrier to getting the manufacturers to use increased levels of recycled content in tires.

So I think that given the technical feasibility of potentially using 15 percent recycled tires, the market development desirability of using recycled content tires, this should be a high priority for the Board to pursue.

It seems to me there are a series of recommendations there in terms of additional analysis that's needed. I think that should be a high priority for this Board to invest in that research to make sure that we can at some point in time make the very specific recommendations with regard to recycled content.

The first two acknowledge that this isn't toilet paper. We're not talking about -- there are impacts associated -- potential impacts associated with using recycled content in tires. And we want to make sure, just like in the world of compost, just like in other worlds with food content packaging, we want to make sure there isn't a black eye associated with the use of recycled content. So it's very important that we do analyze this potential impact of recycled content on the integrity of the tires.

But I'm not seeing anything in this report -- and I haven't seen any data whatsoever that suggests that's a problem. Now, we should evaluate that. But I don't at this point see that as being a barrier to the use of recycled content.

And my recommendation to this Committee is that we -- that this Board make the use of recycled content tires a high priority and devote an appropriate level of resources to pursuing that. Thank you.

CHAIRPERSON MEDINA: Thank you, Mr. Murray. Your comments are well taken. If it were toilet paper, I'm sure it would be sold at Costco.

With that, we'll take a ten-minute break, and we'll convene again at five after 11:00.

(Thereupon a recess was taken.)

CHAIRPERSON MEDINA: This meeting is reconvened. We will next discuss of waste tire enforcement program and activities.

MR. CONHEIM: Good, Mr. Chairman. I'm Bob Conheim. I'm glad to be back at the Waste Board and glad to be advising the waste tire program. If I could indulge the Chair, I'd like to say that today is my son Alex' 18th birthday, and I want to wish him happy birthday.

CHAIRPERSON MEDINA: Congratulations, and happy birthday also.

MR. CONHEIM: And I understand that Amalia's father's birthday is today. So it's one of those days.

The purpose of asking to talk to you today is to bring to you a comprehensive discussion in this one place about what constitutes the waste tire enforcement program. I know that you have discussed other aspects of it in terms of planning discussions and specific enforcement actions. But today's discussion is to describe to you what constitutes the elements of --

CHAIRPERSON MEDINA: Excuse me. When you say comprehensive, you mean comprehensive, but we'll be out of here by 11:30?

MR. CONHEIM: Yes. And comprehensive doesn't necessarily mean lengthy. But unfortunately, I may. And I'm going to have to monitor my delivery. He's kicking me under the table.

(Thereupon an overhead presentation was presented as follows.)

MR. CONHEIM: What we'd like to do is actually also share with you a Power Point presentation as a backdrop, not tracking the narrative. But we're going to show you some pictures that come from the eyes and ears of the enforcement program, our field inspectors, the local grantees, the district attorneys' investigators, just to show you what the scope of the problem is.

We have in the audience here today key staff and participants in the program whose roles will be amplified by Don and me later: Doug Ralston, the manager of IMB who developed the database and manifest program as a technology issue; Georgianne Turner, the supervisor of tire enforcement north; Keith Cambridge, the principal staff person developing the manifest program; Deborah Biersteker, the Yuba Sutter tire enforcement grantee; and Jane Crue, the circuit prosecutor with the California

District Attorney's Association.

Don.

ACTING DEPUTY DIRECTOR DIER: Good morning, again. The waste tire enforcement program that we're going to talk about really stems from and flows from the core functions, three core functions.

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ACTING DEPUTY DIRECTOR DIER: And that is tire facility permitting, hauler registration, and the manifest system. One could almost think that, you know, it's the enforcement of these that is a follow on. Once we do these core functions, if it doesn't work right, that's when we start implementing and kicking in the enforcement aspect of these different functions. To that extent --

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ACTING DEPUTY DIRECTOR DIER: Like Bob said, these are not going to be necessarily going through each of these. They're background slides to indicate what the problems are.

But we've identified the basic program elements of our enforcement program. We're going to talk about these individually, but also talk about how they inter-relate and how we try to coordinate all these activities.

The elements of our enforcement program include

our Board field staff, the clean up and cost recovery aspects, the Board's legal staff work with the attorney general.

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ACTING DEPUTY DIRECTOR DIER: The California District Attorney's Association, the local enforcement grantees, the California Highway Patrol, the enforcement coordination meetings that we have for both internal and external aspects, and other agencies and CalEPA coordination that we conduct.

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ACTING DEPUTY DIRECTOR DIER: As we implement our permitting program, we have, as you know, the major and minor waste permits, and we have a host of exclusions and exemptions that we administer. We have approximately 60 facilities that have various types of permits. These are required to be inspected on various frequencies depending on the nature of the permit. And so the primary responsibility for that are our field staff. Our field staff are four; three in Southern California, and one in Northern California. And because of those limited resources, that's why we have pursued and are implementing and ramping up the enforcement grantee program that we'll talk about.

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ACTING DEPUTY DIRECTOR DIER: As our field staff conduct their business, they do inspections of permitted facilities and they do surveillance of illegal disposal sites. And then we have a process by which those inspections, if there are problems noted, you know, we issue the letters of violation. There's procedural aspects of this with letters of violation to try and attain compliance at the lowest level possible. If that's not accomplished, then we ramp it up to a cleanup and abatement order. And if that is not sufficient, then we go to the administrative complaint level with an administrative law judge in seeking fines, cost recovery for any cleanup that we do.

The process we go through, the enforcement process for each of our cleanup activities -- it's a legal process and one that ensures that, you know, every attempt is made to have the property owner or operator try and solve the problem themselves first. It's only when that fails that we go into the cleanup portion.

MR. CONHEIM: A significant aspect of the legal process that we use is -- once we get a judgment in these cases, that judgment, based on a law change a couple of years ago, becomes a lien on the property. So that most of the people against whom we get judgments don't have any money anyway and couldn't pay the fines or the cleanup

costs. But they do have some property that we can lien. The fines, civil penalties for facilities go up to $10,000 per day per violation, and for hauler and manifest violations 25,000 per day per violation.

Criminal penalties can be sought in the most egregious cases, and that's why we're in partnership with the California District Attorney's Association. And the local district attorneys bring the criminal cases. And we've also taken some cases to the attorney general for civil cases, not just these administrative hearings that several of us in the office do for civil fines and cleanup costs.

ACTING DEPUTY DIRECTOR DIER: I described very briefly the permitting program. I'd also like to briefly go over the hauler registration and manifest system. I know you're quite aware of the manifest system. We've had several presentations before the Board in the last year. And that has just rolled out officially July 1. So we're in the very early stages of implementing that, going through the growing pains, so to speak.

The hauler registration program has been in place for a number of years, however. And that is administered by one of the staff in the waste tire branch. We register in the neighborhood of 850 registered haulers per year, which encompasses over 7,000 vehicles. And these

registrations are done annually on a calendar year basis, and they must be renewed or they're dropped.

And we're going to be taking the approach of DMV. We send out a notice. We let them know. But it's one of the things we're going to have to re-examine as to much effort put into trying to work with them to get renewed. Or just give them a notice like DMV. If they don't send the money and the bond in on them, that's it. We've got to be a little more pragmatic in our approach, I think. But again, this is a fairly significant effort to maintain the 850 registrations on 7,000 vehicles.

Because vehicles are being brought in. They're added and deleted constantly. And there is a $10,000 surety bond associated with that registration. So that has to be maintained. So there's an effort to ensure those are always up to date.

The manifest system rolled out July 1. It's very significant. It's gotten a lot of reaction, mostly probably bad. I don't think we've gotten any compliments from anybody on it, but we're trying our best to make it work. I think the fact that it's new and it's different is causing people concern and the reaction that we're getting. But we're working some kinks out, and we're giving it six months at least as a phase in because it is new and knowing that any type of change is sometimes

difficult to adjust to.

But what I would call, probably with regard to any other program at the Board, it's a fairly significant massive program. I know Doug Ralston from IMB has said on occasion it's probably one of the largest undertakings they have taken. And they've taken on quite a few between SWIS and working DPLA and a lot of the other databases they've developed. So the combination of the database development and the actual paperwork aspect of it between the generators, the haulers, and the end users and all of that coming into us for scanning and analysis. Like I said, we're still in the very early stages of getting that all rolled out.

CHAIRPERSON MEDINA: I'm sure the end results will be well worth it.

ACTING DEPUTY DIRECTOR DIER: The end results are exciting. When we make this work, the results are going to be -- we'll be able to report some very interesting and valuable information to the Board with regard to the flow of tires, where we're coming from and where they're going and how they're being used. So it's very exciting in that regard. That's really the purpose for the system.

MR. CONHEIM: Don, the hallmark of the hauler and manifest system is really the same thing as the facility system. The enforcement of these two programs -- of these

programs is unlike our solid waste facilities system which is based on local jurisdiction. This program -- these programs with waste tires are more like other CalEPA programs where the state has -- the state agency and the state, the waste Board itself, has the primary jurisdiction, has the primary statutory responsibility to implement the enforcement. We are using in the other elements that we'll finish the discussion with lots of help with delegating certain functions to the local government and using certain other tools, such as the highway patrol, and we'll get to those in a second.

ACTING DEPUTY DIRECTOR DIER: In fact why don't we do that right now.

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ACTING DEPUTY DIRECTOR DIER: Because all of the core functions of our tire program require some form of inspection or review to ensure that they're being done properly. We inspect the permitted facility to ensure they're complying with storage standards and permit conditions. Likewise, we inspect the haulers, you know, to ensure that they are using the new manifest forms properly. We inspect generators and end users for the same purpose.

But again, with only four staff for the entire state, that's why we're going to be relying upon the local

grantees to do inspections, and their scope of responsibility is limited to inspections and issuance of letters of violations. The Board has retained enforcement actions above the letter of violation. So the 10- to 12,000 generators and end users in the state will be inspected by the local grantees, as will eventually the permitted facilities also. That's our vision, is to have where the grantee exists, they'll be doing all of the tire inspections under the guidance of our field staff. And we're hopeful that that will ensure that we've got --

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ACTING DEPUTY DIRECTOR DIER: -- some consistent enforcement. By retaining the legal pursuit at the Board level, we hope to have consistency in how we pursue the bad players.

MR. CONHEIM: We've just shown you a sample of a highway patrol surveillance of facilities. I think you've seen some of that video with regard to specific enforcement actions.

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MR. CONHEIM: This also was the result of California Highway Patrol fly-over surveillance. And the other aspect that we use the highway patrol for is --

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MR. CONHEIM: -- in stopping haulers. And you

know exactly where this particular situation is.

ACTING DEPUTY DIRECTOR DIER: Yeah. This particular situation was down at a facility in Compton which was done, I believe, last year. This has turned out to be a very good -- a high point in our program is the work with the CHP. We've been recently getting some results of the aerial fly overs, and we're finding some new sites. We're also having some real success with what we call -- well, some people call them sting operations, but I just prefer to call them truck checks -- where we work with one of the visions of the CHP to set up a stop outside a landfill, a tire facility, a transfer station, wherever waste tires are being brought in and with the CHP officer there and our staff -- and eventually instead of our staff, with the grantees -- to inspect them to make sure their registration is current and valid, that they're using the manifest forms, and if they're filling them out properly. And if not, then the CHP sites them and writes them up immediately. We allow the tires to proceed into the facility. But the CHP will site them immediately, and then we will pursue them administratively with some follow-up administrative action.

MR. CONHEIM: This is an example of also educating people who haul tires because here's a produce dealer who -- let's assume the best -- wasn't aware of the

requirements, but is a businessman and instead of dead heading home after getting finished with his produce stock offered to take a load of tires.

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ACTING DEPUTY DIRECTOR DIER: And this is a good point to mention this. Because as we roll out -- as we did the training for the new manifest system, we did extensive training in May and June all throughout the state.

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ACTING DEPUTY DIRECTOR DIER: And along with the concerns expressed, one of the concerns of almost every one was, "We'll go along, we'll do this. But you better enforce it. You know, you better go after the bad guys." That was a consistent message from north, south, east and west, wherever we went in the state.

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ACTING DEPUTY DIRECTOR DIER: "You better enforce this." So we're trying our best to do that, coupled with the fact in the Board's five-year plan there has a strong emphasis on enforcement by the, you know, inclusion of a significant amount of funds each year over the next five years for all of these aspects for the enforcement program that we're going through.

Just as an FYI, the CHP work that we've been

doing for the last year, we've been doing two spots a month at various locations. We mix it up across the state. These are unannounced. We try to keep the information as close as possible as in regard to where we're doing them. I would love to ramp that up to probably once or twice a week, but you know, our resources are just limited at this point to be able to do this. This is a fairly intensive effort because of not only setting them up, but also staffing them to be there when they are conducted.

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MR. CONHEIM: The last two items, the enforcement coordination meetings that Don hosts monthly include not only our own staff and the legal office working in partnership and very close together, but also we invite the circuit prosecutor and the California District Attorney's Association into those meetings. We have case management discussions so that we don't duplicate efforts so that we support each other.

In the last item where I somewhat cryptically said, "other agency and CalEPA coordination," we have an inter-agency agreement with the Air Board for surveillance equipment. So we've maximized our relationship right here in the building with the ARB to get some pretty sophisticated expertise and equipment that we would not

originally or initially have known what to use.

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MR. CONHEIM: And I picked this last slide because -- and I can't tell you more about it except the flowers in the tire, it had a rest in peace kind of final panache to it. So I share that with you. There's no end to these pictures. Once I started looking into and talking to the various components and various participants in the program, the work they have done and how they documented with it, we wanted to share with you some of the findings they've made.

CHAIRPERSON MEDINA: Okay. Mr. Conheim, Mr. Dier, thank you for this presentation.

At this time I'll open it up to the Board members for any questions they might have.

Board Member Jones.

COMMITTEE MEMBER JONES: Thank you, Mr. Chair. And thank you for this item, and thanks to our folks in the audience from the district attorney and the LEA. I know that program has been involved since day one, and we appreciate it.

Just a couple of questions. The tire pile a couple of slides back with the three trailers on the CHP fly over, was that a legal pile or an illegal pile?

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ACTING DEPUTY DIRECTOR DIER: It's illegal. It's just west of Fresno.

COMMITTEE MEMBER JONES: Was it something that our local enforcement people even knew about?

ACTING DEPUTY DIRECTOR DIER: They weren't aware of it yet. We were aware of it. We've been aware of it for about a year, 18 months.

COMMITTEE MEMBER JONES: Do we know who's responsible?

ACTING DEPUTY DIRECTOR DIER: We're still working on that.

COMMITTEE MEMBER JONES: Good.

Don, you had made a comment that, you know, with the manifest system nobody had really had anything positive to say. I'm not sure I agree with that.

ACTING DEPUTY DIRECTOR DIER: That was a little extreme.

COMMITTEE MEMBER JONES: The difference between you and me is we're both extreme. It's just sometimes our extremism is in different directions.

ACTING DEPUTY DIRECTOR DIER: I guess when all you hear is criticism day in and day out, it's hard to see some flowers.

COMMITTEE MEMBER JONES: I'm going to bring you some flowers. I've heard from some people other than the

retreaders they think makes sense. I think something that's important to talk about in this venue is that the electronic data transfer that Doug and those folks came up with, right now I know of at least two major haulers that are using it and a request of others that want to use it because they see it as a real advantage.

I think we're going to find out in a short period of time if we're going to believe these folks' PR, that they're responsible for about 60 percent of the waste tires that are being hauled in the state of California anyway. I think that's very important because with our electronic data transfer system, they're going to be able to minimize the amount of labor that they put into the manifest system. And we're going to have a more up-to-date, quicker knowledge of this.

I'm glad that you said -- I think you guys have 13 venues throughout the state, 14. Everybody said, "We'll do it, but you better enforce it." When we were putting this legislation together, a lot of that -- you were talking with a different audience than we were when we were starting to put this together. That was exactly what everybody in the room said. "We'll go along with this, but you have to enforce it," because there's too many hoboes out there that are operating that don't use the manifest system. And they want -- it's an unfair

advantage to those that play by the rules. So we've got to catch them and shut them down.

The last item -- because I know it does get discouraging from time to time. There is a used tire folk in Southern California who is paranoid, who calls me probably as often as he calls you, that I honestly believe wants to do the right thing. And while it may be discouraging to have somebody continually call on potential misuse, I'm hoping -- and I don't know how far we have to go with this -- that those don't get neglected because of who's making the complaint.

There is a reason -- I know for a fact this person gave us a $2800 hundred sale because the person that was going to haul the tires refused to get a permit to haul. That's putting your money where your mouth is. What he was afraid of was a retaliatory fine from this Board of $10,000. Whether or not that's the case is still up for anybody's conjecture.

But I believe it -- because I have a tendency to believe this guy, not on -- I mean, he's like Don and I. He's a little extreme sometimes. He loves calling me because I'll tell him to shut up, which you guys can't. And -- but I do believe him. So I'm hoping that you'll be patient. Okay. I think he wants to do the right thing. He calls up and tells me how the rules are wrong, and then

I usually check with you guys and am able to explain -- actually a couple times have been able to explain on my own why they were right. So it just takes a little while. Be patient. There's a lot of people out there. And we need their assistance, I think.

So thanks, Mr. Chair.

ACTING DEPUTY DIRECTOR DIER: Mr. Jones, to that end, we have developed a complaint form to ensure that we get accurate and documented information that we can follow-up on. And you know, we're providing that. It's on our website. We provide it any way that anybody wants to get it. And I will commit to you that we will respond to every written complaint that we get in.

COMMITTEE MEMBER JONES: All right. Sometimes they're not written.

CHAIRPERSON MEDINA: Very good. Board member Paparian.

COMMITTEE MEMBER PAPARIAN: A couple quick follow-ups. I actually noted in the agenda item you said the Board's enforcement program relies in part on citizen complaints. I'm wondering if we can use that 800 number, the 866 -- whatever prefix it is these days -- to solicit complaints. I think there probably would be some people Mr. Jones might have identified, the sort of person -- some people who may not want to write it down or identify

themselves, but may have knowledge of some potentially illegal activity, and the 800 number might be something to use as part of that effort.

ACTING DEPUTY DIRECTOR DIER: Definitely.

COMMITTEE MEMBER PAPARIAN: The CDAA program, at one point that was limited to Tulare and Imperial Counties, as I recall. Is it still limited to those two counties?

MR. CONHEIM: It's limited to rural counties. All rural counties under 400,000 population. They're the ones that are the most impacted and also the ones with the fewest resources.

COMMITTEE MEMBER PAPARIAN: Now it's beyond the Imperial and Tulare? It's statewide for the rural --

ACTING DEPUTY DIRECTOR DIER: There was an initial effort, I believe, when the grant was first made to focus on Madera and Imperial.

COMMITTEE MEMBER PAPARIAN: Oh, Madera and Imperial. That's right.

ACTING DEPUTY DIRECTOR DIER: But that was just to kick start the relationship because there was some issue in those two counties. But as Bob indicated, I believe the definition used for this purpose for rural was 400,000 or less. And those are the counties -- and Jane can elaborate on their jurisdiction a bit more if you need

that.

COMMITTEE MEMBER PAPARIAN: No. Just knowing that it's gone beyond those two counties is satisfying.

ACTING DEPUTY DIRECTOR DIER: Oh, definitely.

COMMITTEE MEMBER PAPARIAN: Are you happy with that program?

MR. CONHEIM: We have arrived with new staff involved in the program. I'm new in the program. We have a very cooperative, very robust working relationship with CDAA now that is working. And we're looking forward to even more collaboration and -- if I can use a too much used word -- synergy. So at this point I'd say we're working the program and working with the contractor very well.

COMMITTEE MEMBER PAPARIAN: The local grantees -- we've been ramping up that program from 2 million to 4 million, from 4 to $6 million a year making it a fairly large enforcement program. As I understand the program, we may not have every locality in the state covered. But rather it will be those who apply for the grants.

ACTING DEPUTY DIRECTOR DIER: We are targeting -- last year we were able to ramp up from eight grantees. We revised the program a year ago to change its way that it's administered so that -- previously the grantees essentially sent an application and said what they would

do with the money. We revised the program a year ago to make it easier to make it non-competitive but also to turn it around to say here's the money. Here's what we would like you to do. And that is do the inspections, write the letters of violations and that.

As we ramped up last year, I had staff actually conduct a marketing campaign to go out and solicit the interest of jurisdictions that we wanted to come into the program. And primarily those are jurisdictions where, you know, waste tires exist, are an issue. And we're not focusing on in Alturas. We don't think there's a major waste tire program up in Alturas. But we are focusing on Southern California, the San Joaquin Valley, and the Sacramento and the Bay Area. My goal is we've got about 15 to 17 additional counties we would like to market to bring into the program in the next cycle. So people that use the term "tire alley" as looking up and down the state, those are the jurisdictions that we would like to get in the program.

COMMITTEE MEMBER PAPARIAN: And my concern -- this will probably come up again when we deal with the actual agenda item on that program. But even with the tremendous amount of resources we're dedicating to this, I'm concerned that there may be some notable holes in the state where we don't have this enforcement activity taking

place, and with our own limits with only having four enforcement staff to do comparable activities within the tire program and CDAA limited to rural jurisdictions and not being able to do the sort of enforcement that's done through the local enforcement programs. Again, whether we might have some gaps in the state where we ought to have enforcement activities where we just don't have the resources.

ACTING DEPUTY DIRECTOR DIER: I don't think there are gaps because where there is not a local grantee, we will be performing that activity ourselves. We will have responsibility in those jurisdictions. But ideally at some point, hopefully within the next year, the majority of the state will be covered where most of the waste tires are being generated and transported.

COMMITTEE MEMBER PAPARIAN: We can go over this some more when we have that agenda item. Thank you.

CHAIRPERSON MEDINA: Okay. Thank you again for your presentation.

And Board members, thank you for your questions.

Just before we adjourn, let me briefly go over today's results. In regard to Item B, which is August Board Item Number 28, that will be on the consent agenda for the August Board meeting.

In regard to Item C, that will be carried over

until October or later until we get further results in regard to that report.

Item D, which was pulled, will come back before this Committee in September.

Item E, which is also pulled, will also be brought back before this Committee in September.

And with that, if there's no further public comment, this meeting is adjourned.

(Thereupon the California Integrated Waste Management Board, Special Waste Committee adjourned at 11:37 a.m.)

CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of August, 2003.

TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
License No. 12277